U.S. Department of State
FY 2000 Country Commercial Guide: Mozambique

The Country Commercial Guide for Mozambique was prepared by U.S. Embassy Maputo and released by the Bureau of Economic and Business in July 1999 for Fiscal Year 2000.

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Chapter I: Executive Summary

2. This Country Commercial Guide (CCG) presents a comprehensive look at Mozambique's commercial environment, using economic, political and market analysis. CCG's were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U.S. government agencies.

3. Since the signing of the 1992 peace accord halting the country's 16-year civil war, Mozambique has enjoyed peace and political stability. This environment has enabled the development of democratic institutions and supported comprehensive economic reform. While political and economic reform is not complete, the effort has already achieved notable successes. The first national elections were held in 1994. National elections were held for the second time on December 3-4, 1999, and were considered largely ‘free and fair’ by international observers such as the Carter Center. Growth in 1999 was approximately 10%, and has averaged 8 percent over the

past five years. The government expects the economy to continue to expand at a rate between 7-10 percent over the next five years. Maintaining this level of growth hinges on several major foreign investment projects, continued economic reform, and the revival of the agriculture, transportation, and tourism sectors. Despite high growth, the country still suffers from a host of problems flowing from the civil war and poverty. USAID estimates per capita GDP for 1999 to be about $194; Mozambique has a population of 16.9 million. Meeting the human and infrastructure demands from a rapid influx of investment remains a challenge.

4. While growth continued apace, Mozambique brought inflation down from a high of 70 percent in 1994, to less than 5 percent in 1998-1999. The value of Mozambique's currency, the metical, has depreciated in a controlled manner at 8-10% a year against the dollar for the past couple of years. The Ministry of Planning and Finance's disciplined approach to spending, coupled with the Bank of Mozambique's effective control of the money supply and supervision of the banking sector, should keep inflation in check in the near future.

5. Given Mozambique's high foreign debt of $5.7 billion (1998 net present value) and excellent reform record, the IMF, World Bank, other multilateral lending agencies and Paris Club countries agreed to reduce Mozambique's eligible debts by 90 percent under the HIPC (Heavily Indebted Poor Country) Initiative starting in mid-1999. Mozambique is also being considered for the enhanced-HIPC initiative. Finally, should funds emerge for President Clinton’s proposal to relieve 100% of the debt of HIPC countries, Mozambique will be in an excellent position to take advantage of the program.

6. In light of Mozambique’s reform efforts, and the emergence of southern Africa as an important regional economy, a number of U.S. companies have initiated major investment projects. These companies include Enron, Arco, Fluor Daniel, and Kaiser Aluminum. U.S. suppliers of capital equipment as well as construction and business services may want to track the activities of these companies in Mozambique and in southern Africa. Mozambique’s December 1999 ratification of the Southern African Development Community (SADC) Trade Protocol is another indicator of increasing commercial opportunities in the region.

7. Foreign investors in Mozambique offer substantial supplier opportunities in energy, mining, fishing, timber, tourism, agriculture (cashews, cotton, sugar, and citrus), and light industry. These companies should be contacted at their home offices. Opportunities also exist in foreign assistance projects financed by the World Bank, the African Development Bank, and other donor agencies, including USAID. Several hundred million dollars have been budgeted for infrastructure projects in agriculture and transportation, as well as in education and health. Management concessions in port and rail services promise to attract further commercial and infrastructure investment to the cities of Maputo, Beira, Nacala, and their respective development corridors to neighboring countries. The national airline, electric, and telephone companies now function as state-owned commercial entities, but are considering taking on strategic foreign

partners as a prelude to privatization, and the liberalization of their sectors.

8. Country Commercial Guides are available for U.S. exporters on the National Trade Data Bank's CD-ROM, or via the Internet. Please call 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide at www.STAT-USA.GOV, www.state.gov, and www.mac.doc.gov. In the U.S., they can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce Trade Information Center by phone at 1-800-USA-TRAD(E) or by fax at (202) 482-4473.

Chapter II: Economic Trends and Outlook

9. Major Trends and Outlook -- Over the past five years, the Mozambican economy has achieved a startling economic turnaround. At the center of the change in fortunes has been the conservative fiscal and monetary policy of the government that led to the precipitous fall in inflation --from 70 percent in 1994 to less than 5% in 1998-and real economic growth averaging over 8 percent over the last five years. As a consequence, the local currency, the metical, stabilized against the dollar and even appreciated against the rand. This has helped Mozambique to slightly reduce its heavy import bill. The government expects inflation to remain below 5 percent in 1999.

10. Reporting Discrepancies - Over the past several years, there have been reporting discrepancies among agencies that track GDP growth and other economic statistics. Information from the 1997 census and the growing capabilities of the National Statistics Institute has helped to resolve some of these differences. Nevertheless, the following chart indicates different growth figures put forth by two important government agencies.

	'93	'94	'95	'96	'97	'98
GDP Growth (INE)	8.7	7.5	4.3	7.1	12.4	9.9
GDP Growth (MOPF)	19.3	5.0	1.4	6.4	14.0	12.0

INE - National Statistics Institute
MOPF - Ministry of Planning and Finance

11. The National Statistics Institute - The INE, which reports directly to the Prime Minister, now bills itself as the official source of statistical information for the nation. It relies on the various ministries and government agencies for much of its information, then reconciles differences, and applies its own methodologies to aggregate totals. In 1998, the INE recalculated GDP for recent years, and reported that average annual growth over the past six years was 8.3 percent. MOPF, previously the favored source for macro-economic statistics, calculated an average annual growth of 9.5 percent over the same period. MOPF may have placed more weight on the formal, tax-reporting sector. Taken together, both measures

reflect what has taken place: broad-based growth throughout the country, but especially within the established business community and in urban areas.

12. GNP figures – USAID, the United States Agency for International Development, estimates that 1999 GDP was $3.7 billion, up 47% since 1993. USAID estimates 1999 per capita GDP to be $194. Despite this new measure, per capita GDP still shows that Mozambique's economy is still quite small relative to its population of 16.9 million.

13. Income growth - Raising incomes is a foremost goal of the government. The government is aiming for 7-10 percent real growth over the next three years; most observers believe this is attainable. Expectations for rapid growth hinge upon large foreign investments, deepening economic reform, and the rapid build-up of human capacity and infrastructure. The prospects for progress in each of these areas appear good, although the lack of skilled labor may be the most difficult obstacle to overcome in the near term.

14. Principal Growth Sectors -- The country offers substantial investment and commercial opportunities in energy generation - hydro, coal, gas, local co-generation; transportation - road construction, rail and port services, airport construction, and air transport; resource extraction - natural gas, minerals, timber, and fishing; agriculture - cereals, cashews, cotton, sugar, and citrus; light industry - food and beverages, apparel; and tourism. U.S. suppliers of capital equipment and construction services should look to these areas first. Business opportunities also exist in a number of foreign assistance projects financed by the World Bank, the African Development Bank, and donor agencies including USAID. Major development projects totaling several hundred million dollars are underway in agriculture and transportation, as well as in education and health.

15. Diminishing Government Role in the Economy -- As economic reform has progressed, the government's role in the economy has diminished considerably. Over 1200 mostly smaller enterprises and 37 large enterprises have been privatized during the last 10 years. After fulfilling its mission, the privatization program for large companies (UTRE) is scheduled to close its doors in 2000. Only 11 large state-owned or operated companies remain, including the national airline, telephone, electricity, insurance, oil and gas exploration, port and rail, airports, water supply, and fuel distribution companies. While these parastatals continue to dominate their respective sectors, preparations for privatization and/or sector liberalization have begun. A favored model is to incorporate the parastatal and hand the government 100 percent of the shares. The government then selects a strategic foreign investor to whom it sells 30 percent of its shares. The remainder of the shares can be sold to the strategic investor, distributed to employees, or sold to the public on the local stock market. Another favored model is to contract limited operating concessions with private firms.

16. Privatization and Management Concessions - Notable privatizations include cement plants, flour mills, breweries, commercial agriculture operations (including cashew processing,

fishing, and trading companies), and the management of coal, sugar, citrus, and container terminals. The country's largest bank was privatized in 1996, as was the remaining state-owned bank in 1997. Management concessions have been negotiated with Mersey Docks (U.K.) for Maputo Port, Cornelder (Netherlands) for Beira Port, and a consortium of RDC/Edlow (U.S), TerTir (Portugal), and Manica (South Africa) for Nacala Port and Rail. Privatization of state-owned enterprises has drawn significant foreign investor interest. Foreign invested companies are now responsible for the lion's share of the country's industrial growth.

17. Attracting Foreign Investment - The government has taken important steps over the past few years to attract foreign investment. In addition to the privatization efforts described above, the government has accomplished the following:

- Financial sector liberalization;

- Comprehensive tax reform;

- Customs and tariff reform, with the support of British Crown Agents, which has managed the customs service for three years,

- Passage of legislation governing investment: the investment code offers a variety of tax incentives according to region and type of investment, as well as customs exemptions for the importation of capital equipment and raw materials. Investments under $100 million are automatically approved if relevant government authorities do not voice an objection. Legislation also supports the creation of export processing zones; these regulations have been proposed and should become effective in early 2000. Contact the Investment Promotion Center for more information. (see Appendix E)

- Repatriation of profits and repayment of offshore loans have become routine, but must be outlined at the time of investment registration;

- Foreign exchange earnings may be retained in local banks without limit, and freely used.

18. Trade Balance - Though slowly improving, Mozambique's trade balance remains highly unfavorable. In recent years, the merchandise export-import ratio has been as low as 1:4. By 1998, however, this ratio had improved to 1:3. Still, exports were $246 million while merchandise imports were $746 million. Led by transportation, a favorable trade balance in services has helped to narrow this gap. Still, without donor funds and HIPC debt relief, the country would have difficulty meeting its foreign obligations. Mozambique’s trade balance will improve as increased production of locally manufactured and agricultural goods substitutes for imports. Rapid growth is forecast especially, in the areas of food, beverages, and construction.

19. Export Earnings - Historically, Mozambique's economy was export-oriented. As its traditional industries are revitalized, the foundations are being laid for increased exports in the future. Exports have risen over 40 percent since 1996. Chronic disorganization in the cashew sector, and

marketing problems for Cahora Bassa hydroelectric dam have hampered a faster rise in export earnings. The outlook for a continued rise in export earnings over the medium term remains good. Exports of cashews, sugar, cotton, and other agricultural commodities, textiles, seafood, minerals, electric power, and natural gas and related industries, promise to grow rapidly. Major export-related foreign investment projects in aluminum, steel, minerals, fertilizer and sugar are planned, and promise to dramatically affect the trade balance.

20. Debt Relief - Debt cancellation under the Heavily Indebted Poor Country Initiative (HIPC Initiative) has also improved the country's balance of payments. In the medium to long term, HIPC promises to substantially reduce debt service payments and redirect these funds toward health and education. Before HIPC, the country owed a foreign debt of $8.3 billion in nominal terms ($5.7 billion in net present value terms). HIPC reduced eligible debts held by participating creditors by 90 percent, an amount equal to nearly $3.0 billion in nominal terms ($1.4 billion in net present value terms). The IMF aimed to reduce Mozambique’s debt from $5.7 billion (net present value) to $1.1 billion, or twice its projected average export earnings. This includes the renegotiation and discount of $2.4 billion (nominal terms) of debt to Russia. Russia held a large portion of Mozambican debt for purchases of military equipment. In order to facilitate its own entrance into the Paris Club, Russia was required to offer Mozambique deep discounts on these non-productive military loans. With a good record on reform, Mozambique easily passed the IMF's and World Bank's final HIPC review in June, 1999. With the 'enhanced' HIPC initiative agreed to at Cologne, Mozambique should receive up to 97%-98% forgiveness of eligible Paris Club debt. President Clinton hopes to obtain funding to eliminate 100% of HIPC debt, but the Congress has not yet examined this proposal. In December 1999, the United Kingdom announced that it would unilaterally cancel all HIPC debt for certain countries, including Mozambique, provided they meet World Bank and IMF criteria, and agree to use the savings for poverty reduction initiatives. Other non-Paris club countries have also reduced their debts held by Mozambique.

21. Infrastructure - While some donor funded rehabilitation of the nation's infrastructure has occurred, the nation's transportation and distribution systems are still quite basic. Donors have worked with the government to improve poorly functioning road, rail, and coastal shipping, and to strengthen rural marketing networks and credit institutions, so that food produced in the north can be sold in the south in exchange for manufactured goods. Despite criticism, the World Bank is continuing its $850 million road and coastal shipping system (ROCS) program. Critics have questioned fund allocations, slow project delivery, and the ability of the Mozambican government to assume maintenance costs. Current road projects target the central and northern regions. The World Bank is also funding the construction of clinics and schools throughout the country. More information on these projects and associated commercial opportunities may be requested from the World Bank.

22. Agriculture and Land Tenure - As part of Mozambique’s socialist legacy, all land is owned by the state. It in turn leases parcels to individuals and companies for up to 50 years,

with an option to renew. The system is designed to protect small holder agriculture, and allow time to settle land disputes. Three-fourths of the population still derive their livelihood from the land, and land rights are a politically sensitive subject. However, the leasehold system has spawned corruption, especially in the cities. It now hinders urban growth and investment, since land cannot be used as collateral to finance further growth. It is also an impediment to the formation of a rural credit market, because small holders have no collateral offer for loans to improve their land or production capacity. This lack of a rural credit market has in turn inhibited the spread of financial institutions beyond the well-developed Maputo market. Small cities often have one bank, offering prohibitively high interest rates to a captive agricultural market. While family agriculture has largely recovered from the war years, commercial agriculture continues to encounter more difficulties than other sectors of the economy.

Maputo Development Corridor

23. Maputo Toll Road - Work on the Maputo Development Corridor is beginning to show results. The construction of a $300 million toll road to reduce travel time between Maputo and Johannesburg to about five hours is central to the Maputo corridor. Construction on the route has been progressing, and sections of the road have already opened. The entire road is scheduled for completion in late-2000. One-stop border crossings with South Africa and Swaziland are being considered. Border traffic has increased to the point where delays of more than one hour at immigration and customs facilities are common.

24. MOZAL - Billiton's $1.2 billion MOZAL aluminum smelter has spurred development along the Maputo Corridor. Construction on MOZAL began in mid-1998, and completion is projected for late 2000. MOZAL employs approximately 8,000 workers in the current construction phase, and will employ around 1,000 once it becomes operational. The country's largest project to date, MOZAL will require port facilities to handle the import of alumina and the export of aluminum ingots. It will also require a large electrical substation to manage the power from two high-tension power lines, capable of transmitting 435 MW of electric power from South Africa to the smelter. (a line will traverse Swaziland and another South Africa) This infrastructure is now under construction.

25. MISP - Enron's proposed $2.5 billion Maputo Iron and Steel Project (MISP) would use South African iron ore and Mozambican gas, piped from the Pandé gas fields, to produce direct-reduced iron. The iron would be used as feedstock for an associated steel plant in Maputo. A gas line could also run along the Maputo Corridor, where industry would also require gas supplies. MISP would necessitate additional port expansion, rail upgrades, power capability, and an additional water source for the city of Maputo. In October 1999, IDC, the Industrial Development Corporation, pulled out of this project, taking with it a portion of the project financing. However, Enron remains publicly committed to MISP, and is looking for additional investment partners.

26. ARCO Gas Pipeline - In a separate undertaking, Arco (possibly soon to be merged with BP/Amoco) and joint venture partner SASOL also plan to build a natural gas pipeline from the central-south region, via Maputo Province, along the Maputo Corridor. This gas would be used at Sasol's synfuel plants in Secunda, South Africa. Plans for this project remain on hold pending approval of the Arco/BP merger by the U.S. government's Federal Trade Commission.

27. CFM - The slow pace of privatization of the national port and rail company (CFM) has hindered development along the Maputo Corridor. After five years, the major rail lines to South Africa and Zimbabwe appear scarcely closer to meeting international standards than during the early 1990's, a time when CFM was noted for its corruption and inefficiency. Critics suggest that CFM should not have been put in charge of its own demise. Major foreign investors, who based their plans on the expectation of efficient port and rail services, have become concerned; the development of the Maputo Development Corridor has suffered. Experts say that the Port of Maputo's seaside superstructure needs considerable reinforcement; the port's shallow channel needs significant capital and maintenance dredging to allow larger, more modern ships to call; the number of workers must be drastically reduced; and sound management systems put in place. CFM is not able to raise the required investment capital on its own.

Beira Development Corridor

28. Port of Beira - The Port of Beira, rehabilitated by the Dutch, has until recently been the best functioning port in Mozambique. However, the port and the Mozambique Central Railway, which connects the port with Zimbabwe, have been hard hit by the fall in trade due to the failing Zimbabwean economy. Cornelder (Netherlands) took control of the Port of Beira in 1999 under a joint venture agreement and management concession with CFM. As shallow as the Port of Maputo, Beira requires capital dredging to remove silt from the Punge River, which has caused the approach channel to become ever narrower. The Japanese government has donated a ship, which should arrive in Mozambique early in 2000, to handle maintenance dredging of the Beira port. Seasonal flooding in Beira's lowlands is another problem that requires attention. Thefts and pilferage have recently been reported on the rail line running to the port, causing some shippers to switch to trucks. Work is nearly complete on construction of a two-lane highway from Zimbabwe to Beira.

29. Beira Rail Projects - A private management concession is to be awarded for the central railroad system, including Beira to Zimbabwe, and the Sena line. The latter is in complete disrepair. CFM maintains it has coupled the two lines to encourage the rehabilitation of the otherwise unattractive Sena line, which is critical to the development of the Zambezi River Valley. Even discounting the Sena line, the Zimbabwe line is not as attractive as it once was, due to the failing Zimbabwe economy. The government would like to see the Sena line functioning, to facilitate the export of coking coal from Moatize in Tete Province. The Sena rail line passes by two large sugar estates now being rehabilitated by private firms,

as well as through the fertile Zambezi river valley. As much as $500 million may be needed to reconstruct the Sena line.

30. JCI Coal Project - Johannesburg Consolidated Industries, an Anglo-American spin-off, has promoted a project to export Moatize coking coal via the Sena line and Beira Port, to Brazil. The ships would return to Beira loaded with iron. Much like Enron's MISP, the iron would be combined with natural gas to produce a form of iron carbide. In addition to coal, JCI also has the rights to develop an export-processing zone at a coastal site north of Beira, where the water is slightly deeper, and a better port facility could be built. JCI has been trying to entice other investors, especially those interested in using natural gas as feedstock (such as synfuels, ammonia, and fertilizers), to locate at this site.

31. SASOL and Fluor Daniel/Kaiser Projects - In other developments, SASOL (the South African synfuels company) is reportedly considering a $1 billion synfuels plant in Beira to convert natural gas into a form of diesel fuel. Meanwhile, Fluor Daniel and Kaiser Aluminum have completed a U.S. Trade and Development Agency sponsored feasibility study for a potential $1 billion aluminum smelter in Beira. ABB is also part of the venture. The generally positive feasibility study was released in December 1999. These investments, should they move forward, would require significant infrastructure development, including electrical substations, port facilities, roads, water systems, and power and pipelines.

Nacala Development Corridor

32. The Port of Nacala – This is a deep-water port in good operating condition. To further develop, it needs additional capital and more efficient management. New loading equipment and the removal of a wreck from dockside are required soon. The rail line from Nacala to Malawi was rehabilitated by the EU as far as Cuamba, and is in excellent condition. After Cuamba, a 77 km stretch to Entrelagos functions safely only at low speed. A separate line between Cuamba and Lichinga barely functions. An American (RDC/Edlow), South African (Manica), and Portuguese(Tertir) consortium has negotiated a joint venture with CFM, a concession to manage the port and rail services along the Nacala Development Corridor. Historically, this line was critical to service Malawi’s export and import market. Malawi provides an export market for agricultural products from Niassa, Nampula, and northern Zambézia. RDC will be responsible for the rail operations, which connect to Malawi Rail, also managed by RDC under a concession arrangement.

33. Titania Slag Smelter - The government has also supported construction of a titania slag smelter at the Port of Nacala, linked to Billiton’s $300-500 million development of the TiGen heavy sands project in Moebase, Zambezia Province. The smelter would require construction of a 30-60MW power line from Cahora Bassa Dam, 1000 km away. To stabilize the current, construction of a 60-80 MW hydroelectric dam, either at Alto Malema near Gurué, or on the Lúrio River north of Nampula, has been considered. However, Billiton has focused most attention on smelter sites near its existing facilities: Maputo and Richards Bay, South Africa.

Telecommunications

34. Privatization of TDM - It is still unclear how well the privatization of the national telephone company (TDM) and the liberalization of the telecommunications sector will be handled. Legislation passed in late 1999 legalized the privatization of voice communications. Critics note a stakeholders meeting was called to discuss new telecommunications law and regulations, but a very different law and regulations emerged, raising questions of transparency. As a monopoly, TDM is hesitant to give up its advantaged position. The government seems unwilling or unable to marshal the sector for competition that could support more rapid development.

35. Strategic Private Investor for TDM - TDM has been transformed into a public enterprise with 100 percent of the shares owned by government. The government plans to select a strategic private investor to sell a 30 percent share. The government may sell additional shares to strategic investors or the public through the Maputo Stock Exchange, which opened in October 1999. South Africa's Telkom, Portugal Telecom, France's Telecom, Italtel, Malaysia's Telekom, Swedtel, and Mauritius Telecoms are possible candidates for such a strategic partnership. Realistically, the approximately dozen joint ventures that TDM has already concluded with Portugal’s Telecom may present a barrier to new companies entering the field.

36. TDM Management and Technology - Though small and not competitive by developed country standards, the state-owned TDM is still one of the best-managed companies in Mozambique. TDM management has steadily improved the quality of its workforce, expanding service without sacrificing profitability. TDM welcomes new technology. The company has ‘digitized’ almost all of its exchanges, plans to introduce ISDN technology, and would like to lay an offshore fiber optic cable to replace a costly satellite link between Maputo and Beira. Such a cable could be integrated into South Africa's ‘SAFE’ project, which will connect South Africa with Malaysia. Under AT&T's ‘Africa One’ project, TDM was designated as a landing site. TDM participates in Intelsat, Inmarsat, and Rascom, and has negotiated with ICO, Iridium, Globalstar, and Teledesic to participate in global mobile networks, via satellite.

37. Cellular Service - In September of 1997, TDM launched a cellular service, MCel, through a 50/50 joint venture with Deutsche Telekom. The system adheres to the GSM standard and allows for roaming between Maputo and South Africa, and for South Africa-based customers to pay their Mozambique bills in South Africa. Plans are to expand cellular services to Beira. 1999 legislation does allow for the operation of a second cellular phone service. Other value-added services, like Internet, have already been opened to competition and have expanded rapidly, albeit in a small market.

Power and Water

38. Electricity and Water – Supply of electricity and water are government priorities. Recent legislation encourages power co-generation to facilitate the introduction of electricity to

smaller cities and towns. A strategic private investor for Electricidade de Moçambique (EDM) has been discussed. EDM still maintains a monopoly on the management of the backbone of the national grid. Mozambique is a member of the Southern Africa Power Pool (SAPP). In an effort to stimulate investment in the sector, the government has recently awarded a concession for the management of water supply systems in five major cities, including Maputo, Beira, Nampula, Quelimane, and Pemba, to a French and Portuguese consortium.

Chapter III: Political Environment

39. The Peace Process and First Elections - Since 1990, when a new democratic constitution was promulgated, political conditions in Mozambique have markedly improved. The October 1992 peace accords paved the way for the highly successful resettlement of war refugees in 1993-94. In December of 1994, national elections were held, and declared free and fair by international observers. President Chissano and the ruling Frelimo party emerged victorious, but the opposition party, Renamo, made a notable showing, outpolling Frelimo in five of ten provinces --including the most populated ones.

40. Second National Elections - The second national elections were held on December 3-5, 1999. Despite some minor irregularities in distribution of electoral material, both the government and population contributed to a well-run election that featured higher than 70% voter turnout. President Chissano of the ruling Frelimo party was re-elected for another five years, with 52% of the vote, against the 48% of his opponent, Renamo's Afonso Dhalakama. Frelimo also won control of the Assembly, with 49% of the votes. Renamo, the main opposition party, won 39% of the Assembly votes, with the remainder going to minor parties who did not actually qualify for any seats in the Assembly. Renamo has refused to accept the results, charging fraud in the vote counting process. While international observers considered the administration of the voting largely free and fair, the Carter Center has expressed concern over the transparency of the final vote tabulation. Renamo called for a recount of all votes, but the Supreme Court did not uphold this request during Renamo's legal challenge of the election results. Despite initial concern, the country has remained calm during the post-election period. Many observers believe that the number of contested votes in question was not enough to change the election results.

41. Stable Political Landscape - Since the 1994 elections and the departure of the United Nations peacekeeping force (ONUMOZ) in early 1995, the political situation has remained fundamentally stable. First-ever local elections were held June 30, 1998, but the registration process did not elicit support from opposition parties. The main opposition party boycotted the election, and many voters stayed away from the polls. The process was modified for the December 3-5, 1999 general elections, and opposition parties participated vigorously.

42. Reformist Legislation - The National Assembly has usually followed the government's lead, passing ground-breaking legislation in an effort to create a private sector from scratch, and attract much needed foreign investment to the country. Sound banking legislation has created the foundation for a healthy and growing financial sector and monetary system. Comprehensive investment legislation and related sector laws have simplified the investment process and greatly facilitated the entry and exit of foreign capital. Tax and customs legislation has rationalized the tax system and promoted Mozambique as a destination for foreign investment.

43. Land Ownership Problematic - Not all of the Assembly's efforts have been as successful. The 1997 land law fell short of expectations, although it did put in place a mechanism for small holders to secure land-use leaseholds. In the National Assembly's debate on this law, there was little dialogue about privatizing land ownership. As part of Mozambique's socialist legacy, all land is owned by the state. Land rights are politically sensitive. (For additional information, see Economic Trends and Outlook, #22)

44. Universal Conscription - In another legislative move, the National Assembly passed a law in 1998 mandating universal military conscription. The government concedes that universal conscription is clearly beyond its means, but has engaged in a nationwide registration process. Critics argue that in a country devastated by a 16-year civil war, increased military spending will detract from necessary social spending.

45. Labor Regulations for Foreigners – As parliamentarian democracy takes root, the National Assembly has taken a more active role vis-a-vis the executive. In 1998, new labor regulations were adopted that allowed the Ministry of Labor to assert limits on the hiring of foreign labor. The total number of foreigners in the country is only 21,500, many of whom are diplomats and foreign aid workers. Others are often associated with foreign investment that has been central to the re-development of the country. Large foreign investors can afford to train and develop Mozambican nationals; they also have the ability to successfully negotiate the foreign labor requirements. However, given the paucity of educated nationals, small and medium-sized foreign investors, (many of whom follow the large investors to provide needed goods and services), believe that the new regulations may force them to hire unqualified nationals for key management positions. The business community complained loudly about this law at the 1999 Private Sector Conference in Maputo, and efforts are underway within the ministries to buffer the effects of the law within designated industrial free zones.

46. Reform Agenda - The following items are on the reform agenda for the year 2000:

- continued civil service reform, including merit-based pay and a code of administrative procedures,
- improved government audit and inspection capability,
- efforts to strengthen the tax administration,

- extending the reach of health care and education,
- deepening the financial sector,
- formulating a strategic plan to strengthen the justice system,
- implementation of the 1997 land law,
- introducing the private management of water systems in major cities,
- legislation to support much needed commercial code reform,
- launching a major government-donor effort to reform the government's role in agriculture,
- reform and reorganization of civil aviation agencies, to support the continued liberalization of air transportation,
- passage of legislation and regulations to complement ongoing customs reform,
- broadening of the tax base through effective implementation of the value added tax,
- implementation of the SADC Trade Protocol.

Chapter IV: Marketing U.S. Products and Services

47. Distribution and Sales Channels - The line between wholesale and retail is still quite blurred in Mozambique. The war destroyed colonial distribution channels; new national distribution system is coalescing, driven by local manufacturers attempting to distribute their products. Some may build distribution businesses of their own, which could develop into national distribution businesses. For now, wholesalers are simply retailers who import in volume and sell to other retailers; retailers or micro-retailers then distribute these goods in the countryside. The three principal sales regions are north, central, and south; few traders distribute in all three regions. An estimated 50 percent of imported products are consumed in the three principal cities of Maputo, Beira, and Nampula. Many U.S. firms service Mozambican distributors or clients from offices or warehouses in South Africa.

48. Product Pricing Structures – Product mark-ups in Mozambique vary greatly by product and geographic location. Duties on imported goods range from zero to 30%, depending on whether a product is a primary input, intermediate or consumer good. A duty of 30% is levied on consumer goods; a value-added tax of 17% is also assessed at the point of sale. In Maputo, prices on consumer goods imported from South Africa are therefore at least 50 more than in South Africa, depending on transportation costs. Sales and discounts are not typical. Prices of necessities are tempered by the ability of the consumer to afford the item. High end products, like computers, are

considerably more expensive than in developed country markets. Inventory carrying costs are high due to interest rates of more than 15 percent.

49. Agents/Distributors - An agent can be an advantage in establishing a long-term market presence in Mozambique. They can assist in overcoming red tape and keeping abreast of regulatory changes. To locate an agent, U.S. firms may contact the Mozambican - U.S. Chamber of Commerce, a local consulting firm, or a local bank. Please refer to Appendix E.

50. Franchising - Though specifically referred to in the law, this business concept has only recently begun to spread. The first fast-food franchises from South Africa entered the market in 1997; to date there are only a handful. With the development of the Maputo Corridor, this promises to change rapidly. Opportunities for franchises in print shops and other business services exist in the Maputo metropolitan area.

51. Direct Marketing - The local banking, postal, debt collection, and customs services are not adequate at this time to support direct marketing campaigns. Telemarketing may be possible, but may not be well received by an audience unfamiliar with direct marketing. Door-to-door sales may have a place, and Internet may also provide opportunity for direct marketing to a select population, including foreigners.

52. Joint Ventures/Licensing - Joint ventures are encouraged by the government, (see Section VII on investment) and can help in dealing with regulatory issues and red tape. Since Mozambique's manufacturing sector is still weak, licensing is practiced only on a limited scale.

53. To Establish an Office – The red tape involved in registering a company, although reduced, remains a problem, and petty corruption can obstruct the securing of local licenses and permits. Most U.S. firms hire a consulting firm to assist with the registration process, and experience only normal delays. Currently, the process takes three to six months. To facilitate this process, the government's Investment Promotion Center (CPI) is developing a package of services to assist foreign investors obtain licenses and permits from the government. The Ministry of Industry and Commerce also plans to introduce a new Commercial Code in the year 2000.

54. Selling Factors/Techniques - Most local businesses lack working capital. Some U.S. exporters have increased sales by offering deferred L/C terms, thus financing a substantial portion of the shipping/sales cycle. Leasing may also be an option. One leasing company exists and another plans to enter the market soon. (see Appendix E) Promotional material should be written in the Portuguese language. Few American sales representatives have been able to justify traveling to Mozambique on the sales generated by one trip.

55. Advertising and Trade Promotion - Two local television stations broadcast in Maputo, and one serves the major cities in the rest of the country. The national television station (TVM) has entered into an agreement with Radio Televisao de Portugal, (RTP) to deliver service to the entire nation via satellite. Television advertising may be the most effective medium to

reach affluent Mozambicans, likely purchasers of imported products for both distribution and personal use. Most others are avid radio listeners. Maputo has an estimated 100,000 television sets. Television advertising is inexpensive. A 30-second prime time spot may sell for as little as $120. The television stations in Maputo are TVM (government owned) and Radiotelevisao Klint (independent). Radio Televisao de Portugal, and Miramar from Sao Paulo, Brazil, also broadcast to the Maputo market. The only radio station with national coverage is the government-owned Radio Moçambique.

56. Newspapers - Major newspapers include the government-owned "Noticias" (daily) and "Domingo" (weekly), and the independent "Savana" (weekly) and "Demos" (weekly). "Mediafax," a popular independent newsletter faxed daily, has spawned other such fax newsletters, including the "Metical" (daily) and "Correio da Manha" (daily), which focuses on business. Subscriptions for the nation's leading newspaper, Noticias, number around 30,000. (See Appendix E for addresses.)

57. Sales Service/Customer Support - The provision of service is an important factor in making a vehicle or equipment sale, as local availability of parts and technical expertise is inadequate. Foreign companies increasingly are making inventory and technicians available to service their sales in Mozambique.

58. Government Procurement - Major government purchases are almost always subject to the procurement rules of the particular donor agency financing the project, since government funds are often not available. Major projects managed by individual ministries will often be the responsibility of the department that administers the project. When bidding on a government contract, establish personal contacts within the government, both to better understand the government's needs, and to keep abreast of frequent changes in the procurement process. Interagency committees are often established for systems that serve different domains.

59. Intellectual Property Rights - Intellectual property right infringement is not a significant problem in Mozambique at this time, although there are transgressions with audio and video tapes. The law guarantees the security and legal protection of property rights, including those termed industrial property rights. Mozambique has signed the Bern Convention on International Copyrights, as well as the New York and Paris Conventions. It has not yet deposited its instruments for these conventions, but this is in process. The government claims to adhere to the conventions’ principles. Since 1995, a draft IPR law has been in the "harmonization phase", to update the colonial law. The law has been approved by the Council of Ministers, but has not yet been taken up by the National Assembly. A group of interested artists is also working with SADC on this issue. For more information, contact:

Ministry of Culture
Minister Miguel Mkaíma
Avenida Patrice Lumumba, 1217
Tel: (258) (1) 43-10-65
Fax: (258) (1) 42-97-00

60. Local Attorneys – Legal advice is essential if an investment is being considered. Law firms are not well-established, and most lawyers practice as individuals. Many local consulting firms also offer legal counsel services. (see Appendix E) To nominate an agent, an attorney is generally not necessary.

61. Dispute Resolution and Alternative Dispute Resolution - (See Chapter VII, Investment Climate, #75)

Chapter V: Leading Sectors for U.S. Exports and Investment

62. Trade Opportunities - Mozambique offers trade opportunities in the energy, mining, fishing, timber, tourism, and agriculture (cashews, cotton, and sugar) sectors. U.S. suppliers of capital equipment, and providers of construction and business services, should consider these areas first. Contract opportunities also exist in assistance projects financed by the World Bank, the African Development Bank, and donor agencies, including USAID. Donors finance most of the major infrastructure projects in the areas of agriculture, roads, rails, ports, and education and health.

A. Best Prospects for Non-Agricultural Goods and Services

1. Construction Equipment (CON)
Architecture, Engineering and Construction Services (ACE)

a. Much of Mozambique's inventory of construction equipment is beyond repair. Large public-works projects to rebuild the country's infrastructure usually contract for leased equipment, along with a service agreement; a number of project opportunities may be of interest. Caterpillar and Komatsu maintain a strong local presence.

The World Bank is implementing a $850 million program to rebuild Mozambique's coastal port and road network. Engineering and construction companies compete on a tender basis. South African, Portuguese, and Italian firms are principal contenders in the market. U.S. firms should maintain a local presence to be competitive. Trade opportunities exist to supply equipment to the TRAC concession, the winner of the $100 million toll road for the Maputo Development Corridor. Firms awarded management concessions of the rail terminals and ports also require equipment. Opportunities exist within MOZAL, Gencor/Billiton's aluminum smelter near Maputo; SNC Lavalin (Canada) and Engineering Management Services (South Africa) are constructing the smelter. Other potential large projects include: BAS, the Beira Aluminum Smelter project in Beira (Fluor Daniel/Kaiser Aluminum); natural gas pipelines (Enron, Arco and Sasol); a direct reduced iron and steel plant (Enron) in Maputo; a similar plant in Beira (Johannesburg Consolidated Investments); and mineral sands processing and smelting (two potential projects: Billiton and Aquater). (See also Chapter II, Economic Trends and Outlook, #24, #25, #26, #30)

2. Transportation Services other than Aviation (TRN)
Port Equipment (PRT)
Railroad Equipment (RRE)

Long term operating concessions in port and rail services will involve investment and equipment upgrades. In November 1999, the government signed a document with a consortium headed by British Mersey Docks and Harbour Company, for private management of the Maputo Port. The exact nature of the agreement is still unclear. Medium-term concessions have already been granted for the coal, sugar, citrus, and container terminals at the port of Maputo. Long-term concession have been granted for the Port of Beira, Port of Nacala and the northern rail line. Management concessions for the smaller ports are also available. (See also Chapter II, Economic Trends and Outlook, #27, #28, #32)

3. Autos, Light Trucks, Vans
Trucks, Trailers, Buses (TRK)

As Mozambique's economy gains momentum, there is growing demand for right-hand drive passenger and hauling vehicles. Toyota dominates the passenger and light truck market. City and inter-city bus service is being re-established, as is inter-city truck hauling. In 1998, Mozambique imported about $60 million in commercial and passenger vehicles.

4. Oil/Gas Field Machinery (OGM)
Oil/Gas Mineral Production/Exploration Services (OGS)
Mining Industry Equipment (MIN)

a. Considerable oil and gas exploration is underway in the provinces of Gaza, Inhambane, Sofala, Zambezia, Nampula, Cabo Delgado, and related offshore points. Enron's Pandé gas field has been proven to be a world-class deposit, with reserves of over 2.5 trillion cubic feet. Production and pipeline equipment may be required in 2001-03, if studies and negotiations to build a direct-reduced iron and steel plant are successful. Arco and Sasol are also considering a pipeline from the Temané gas field, and other fields in Mozambique, to Sasol's synfuel plant in Secunda, South Africa. (See also Chapter II, Economic Trends and Outlook, #25, #26, #31)

b. In mining, the TiGen mineral sands project near Quelimane has been on hold for two years, while Billiton completes the construction of its MOZAL aluminum smelter. In the interim, the company is proceeding with the necessary environmental studies. The project may involve building smelting facilities in Nacala, and the construction of a 80 MW or larger hydroelectric dam, to stabilize the flow of electric current in the north. Other sites for the smelter include Maputo and Richard’s Bay. After plans to proceed with a $20 million feasibility study of a heavy sands site (titanium) near Angoche, Nampula, BHP (Australia) withdrew from its large concession, citing other corporate considerations. Its interest reverted to junior partner Kenmare, who also has told the government it will withdraw unless recent unfavorable tax changes are reversed. Aquater (Italy) also has a sizable heavy sands concession in Gaza Province, which has reportedly attracted major investor interest. Cabot Performance Materials, a division of Cabot Corporation of Boston, suspended its interest in rehabilitating a tantalite mine in Zambezia Province, in favor of expanding production in Australia. It is unclear where its agreement with Grupo Madal of Mozambique now stands. Kenmare (Ireland) operates a graphite mine in Cabo Delgado, exporting most of its high-grade production to the United States. Large coal reserves near Moatize have attracted foreign investor interest from Austral Coal (S.A.) and JCI (S.A), but their investment depends on the reconstruction of the Sena rail line. (See also Chapter II, Economic Trends and Outlook, #30)

5. Telecommunications Equipment (TEL)
Telecommunications Services (TES)

a. Since 1996, the state-owned telephone company (TDM) has functioned autonomously, able to finance projects without government approval. To comply with telecommunications policy TDM was subject to a three-year performance contract with the government. By the end of 1998, TDM had been incorporated, with 100 percent of its shares owned by the government. The government plans to sell 30 percent of these shares to a strategic foreign investor, and then to gradually liberalize the sector. (See also Chapter II, Economic Trends and Outlook, #34-#37)

b. TDM's strategy has been to leapfrog old technology where possible. To date, most of TDM's exchanges have been digitized. Because existing satellite services are expensive, TDM wants to lay a fiber-optic cable between Maputo and Beira; a tender on this project was announced in 1998. TDM has long-range plans to extend the cable to Nampula, connecting the major cities of Maputo, Beira, Quelimane, Nacala, and Nampula. Such a cable could be integrated within South Africa's ‘SAFE’ project, which will connect South Africa with Malaysia and beyond. The ‘SAFE’ project may also link with AT&T's ‘Africa One’ project, in which Maputo has been designated a landing site. TDM participates in Intelsat, Inmarsat, and Rascom, and is in the process of acquiring global mobile networks via satellite with ICO, Iridium, Globalstar, and Teledesic. Financing has been the major constraint to investment for the company, but this has become easier as the economy grows and the local banking system develops.

7. Commercial Fishing Equipment (CFE)

Seafood has been Mozambique's largest export for many years, approximately $70 million per year. An unofficial 1995 World Bank study suggested that Mozambique's fish exports might be seriously underreported. Industrial fishing is performed under licenses owned by joint ventures between local Mozambican companies, and Spanish, Portuguese, Chinese, and Japanese partners. Demand exists for marine engines, fishing vessels, vacuum packaging, and cold storage/refrigeration.

8. Agricultural Machinery and Equipment (AGM)
Forestry Woodworking Machinery (FOR)

a. Seventy-five percent of Mozambicans are dependent upon family agriculture for their survival. (See also Chapter II, Economic Trends and Outlook, #22) Commercial farming is limited, but expanding in sugar, cotton, citrus, vegetables, corn, and poultry. Farms operated by Joao Ferreira dos Santos (Portugal), Lonrho (U.K.), Grupo Madal (Luxembourg/Norway), and Agrimo (Portugal) require irrigation and other agricultural inputs. Lonrho recently announced its desire to sell most of its interests in Lomaco, including cotton, citrus, and hotel assets. In 1996, a group of South African farmers from the South African Chamber for Agricultural Development for Africa (SACADA) signed a contract with the government to expand a large state-owned commercial farming operation in the province of Niassa. In exchange, they have received the right to settle on 1000-hectare family farms of their own. Although some farming has begun, this project has been plagued by difficulties; the politically sensitive project has alarmed some observers in Mozambique. A group of Zimbabwean farmers has also explored settling in Manica province.

b. Mozambique has a number of sought-after hardwoods. Small timber operations are scattered throughout the country. Many want to add value to their product by sawing the timber before exporting, and would like to establish partnerships with companies with capital and access to developed markets. On a larger scale, Lonrho maintains a timber operation in Manica Province, near the Zimbabwean border; it is operated by the Wattel Company, which Lonrho plans to sell. In the past, South Africa Pulp and Paper, Inc. (SAPPI) has held interests in developing eucalyptus forests for pulpwood. TCT Industrias Florestais and Moçambique Dalmann Hardwood Furniture are engaged in the largest commercial reforestation program in Mozambique at their *panga-panga* (partridgewood) plantation. The wood is sustainably harvested, and used locally to manufacture hardwood furniture.

c. In the agricultural sector, Massey Ferguson is the market leader in tractors.

9. Food Processing and Packaging Equipment (FPP)
Packaging Equipment (other than food) (PKG)

As Mozambique's agricultural production increases, opportunities for food processing and packaging should grow. Local companies have indicated interest in canning, packaging, and vacuum packaging equipment. Beverage production (soft drinks, beer, and milk) has increased. A Portuguese pharmaceuticals company recently announced its intention to build a $14 million plant in Maputo. A second long-life milk factory has been established in Maputo, and there are plans to open an associated dairy. The number of poultry farms and cattle producers is expanding.

10. Plastics production machinery (PME)
Plastic materials resins (PMR)

Mozambique's plastic factories were privatized in 1995 and 1996, and are working to rebuild a domestic market. Inexpensive plastic products of all kinds should enjoy strong consumer demand for years to come.

B. Best Prospects for Agricultural Products

Mozambique has greatly reduced its dependence on food aid, but commercial imports of wheat, rice, and edible oils should continue into the foreseeable future. Importers have been most interested in U.S. wheat, lard, and sunflower oil. Most meat and poultry products are imported from South Africa, Swaziland, and Zimbabwe.

C. Significant Investment Opportunities

1. Natural Gas and Oil - Mozambique is rich in natural gas. Enron (U.S.) plans to build a direct reduced iron and semi-finished steel plant in Maputo, MISP, the Maputo Iron and Steel project. If the project moves forward, Enron would build a pipeline to transport natural gas from the Pandé field in Inhambane Province, to the MISP in Maputo. A gas line might also run also along the Maputo Corridor, where the potential exists to supply industry. Arco and Sasol (the South African state oil company) plan to transport natural gas from the Temane gas field, and other Mozambican gas fields to Sasol's synfuel plants at Secunda, South Africa. Johannesburg Consolidated Industries (JCI) seeks to build a direct reduced-iron plant near Beira, which would also consume Mozambican natural gas. The Government of Mozambique would like to develop small gas-powered electricity generation in towns between Beira and Maputo. The government has granted oil and gas exploration to Lonrho for the Rovuma Basin in the north. No oil has yet been discovered, but Lonrho is confident their seismic evaluations will prove worthwhile. British Petroleum and Arco have received rights for offshore blocks along the coasts of Sofala and Zambezia Provinces. (See also Chapter II, Economic Trends and Outlook, #25, #26, #30, #31)

2. Energy (other than natural gas) - Mozambique has considerable hydropower potential. The European Union is funding a study of how best to develop the north shore of Cahora Bassa dam. The study also is examining the possibility of a second dam at Mepanda Uncua, downstream from the existing 2075MW Cahora Bassa dam. Cahora Bassa began exporting power to Zimbabwe in late 1997. In addition, large coal deposits at Moatize remain undeveloped due to the lack of adequate roads and rail. An estimated 60 percent of Moatize coal is coking coal suitable for export, while 40 percent is steam coal, suitable to produce cheap power to be sold to the national grid. (See also Chapter II, Economic Trends and Outlook, #30) In 1997, legislation was introduced to facilitate private co-generation.

2. Agriculture and Forestry - Mozambique has large tracts of uncultivated arable land. Total arable land is 36 million hectares; around 4 to 5 million acres are under production. Total productive forest land is estimated at 20 million hectares. A few foreign-owned firms maintain commercial farming or forestry operations, concentrating mainly in cotton, copra, sugar, citrus, maize, and timber. The largest firms are Lomaco (Lonrho of the U.K.), João Ferreira dos Santos (JFS of Portugal), Entreposto (Portugal), and Grupo Madal (Luxembourg/Norway). Negotiations are underway with British, Mauritian, and South African companies for the sale of a number of sugar plantations and refineries in need of rehabilitation. (See also Chapter V, Leading Sectors for U.S. Exports and Investments, #8) An uncertain land tenure system has slowed the development of commercial agriculture. (See also Chapter II, Economic Trends and Outlook, #22)

3. Consumer Goods Manufacturing - Companies making inexpensive consumer products, such as food, beverages, and soaps have been

successful. The American firms Coca-Cola and Colgate-Palmolive are expanding production. Other firms are scoring successes in beer, milk, flour, tires, and plastics. Domestic consumer goods manufacturing is expected to rise rapidly in the next three years.

4. Privatizations - The privatization of state-owned enterprises has attracted considerable foreign investor interest. Major privatizations have included the largest bank (to a consortium led by the Banco Portugues Mello of Portugal), the second largest bank (to a consortium led by Southern Berhad Bank of Malaysia), a cement plant (to Cimpor of Portugal), flour mills (to Namib Mills of South Africa, Seaboard Corporation of the U.S., and JFS of Portugal), breweries in Maputo and Beira (to South African Breweries), cashew processing factories (to various Portuguese and local entrepreneurs), plastics manufacturing (to Topack of Portugal), and joint ventures in fishing (which include various Spanish, Portuguese, Chinese, and Japanese companies). (See also Chapter II, Economic Trends and Outlooks, #15, #16) More information is available from UTRE, the government unit in charge of privatization tenders. (see Appendix E).

6. Management Concessions - Management concessions for rail and port facilities are for extended periods, and involve considerable investment in the upgrade of infrastructure. Management concessions are being negotiated with Mersey Docks (U.K.) for Maputo Port; RDC/Edlow((U.S.), TerTir (Portugal), and Manica (South Africa) for Nacala Port and Rail; and have been completed with Cornelder (Netherlands) for Beira Port. Smaller concessions have also been awarded: Port of Maputo terminals for coal (CMR Engineering and Projects Managers, a South African company); sugar (the Swaziland Sugar Association and Manica, owned by Rennies of South Africa); citrus (Outspan, a South African marketing cooperative); and container terminals (P&O of the U.K./Australia and Manica/Rennies of South Africa).(See also Chapter II, Economic Trends and Outlook,#16)

Chapter VI: Trade Regulations and Standards

63. Tariff Reform - In November 1996, customs tariffs were revised across the board, reducing the average nominal rate from 18 to about 10 percent. The new tariff structure accomplished much to rationalize a chaotic system. To close collection loopholes, the number of discretionary customs exemptions has been drastically reduced. Import licenses are still required, but are now used primarily for statistical purposes rather than as non-tariff barriers to trade. Exporters are now licensed. Bonded warehouses exist, but in small number. If labeling requirements exist for imported products, they are not enforced. Legislation supports the institution of duty-free export processing zones; investor interest in them seems to be growing. MOZAL is the first major example. (See also Chapter VII, Investment Climate, #77)

64. Customs Reform - A three-year contract for the management of customs operations was awarded to Crown Agents (U.K.) in 1996. In May of 1997, it took control of customs operations in an effort to reform the agency, rid it of corruption, and

streamline procedures. While clearances initially slowed, delays have now subsided, as customs officials and businesses have become more familiar with routine application of the customs laws. However, Crown Agents has earned the ire of political and business interests who believe they should be exempt from customs duties. Nonetheless, customs procedures are becoming routine: company profiling data is gathered; corrupt employees are identified and released; new employees are hired and trained; and more efficient procedures are developed. Crown Agents has received a six-month extension in its contract, and a new phase of its management contract is under discussion. This would grant a further three-year management concession to Crown Agents, although their responsibility would shift from daily management to an advisory role.

65. SADC and the SADC Trade Protocol - Mozambique holds the Chair of the Southern African Development Community (SADC); President Chissano’s leadership within SADC is a key reason for his increasing profile as a regional leader. Maputo also houses SADC's Southern African Transport and Communications Commission (SATCC). Mozambique shares borders with six of the original twelve SADC countries. In 1997, Mozambique initialed the SADC Trade Protocol, suspending its membership in COMESA to direct scarce resources to SADC. Mozambique finally ratified the SADC Trade Protocol in December 1999, providing eventual free access to the 200-million person SADC market. Mozambique also enjoys certain preferential terms for trade under other trade regimes - the Lome Convention, the U.S. Generalized System of Preferences, and the WTO for developed country markets.

Chapter VII: Investment Climate

66. Openness to Foreign Investment - The law generally does not make distinctions based on investor origin. In the past, political risk, corruption, bureaucratic red tape, dilapidated infrastructure, and the relatively small size of the market served as strong deterrents to foreign investment. Since peace in 1992 and the first elections in 1994, the political situation has improved markedly, and the role of government in the economy has steadily decreased. With much help from donor countries, the massive task of rehabilitating the country's infrastructure has begun to show results. In addition, Mozambique has forged new bilateral relationships with South Africa, Portugal, Zimbabwe, Mauritius and others in the region, as well as the United States, France, Italy, and China. These relationships expand market opportunities for Mozambique and encourage investment.

67. Right to Private Ownership - Private ownership is protected under the law. Outright ownership of land, however, is not allowed. The government grants land-use concessions for periods of up to 50 years with options to renew. Essentially, land use concessions serve as proxies for land titles, but make it extremely difficult to use land as collateral. (See also Chapter II, Economic Trends and Outlook, #22)

68. Protection of Property Rights - The law guarantees the security and legal protection of property rights, including those termed "industrial property rights." (See also Chapter IV, Marketing U.S. Products and Services, #59)

69. Performance Requirements/Incentives - Specific performance requirements are built into mining concessions and management contracts, and sometimes into the sale contracts for privatized entities. Investments involving partnerships with the government usually incorporate milestones that must be met for the investor to continue with the project.

70. Investment Incentives – To encourage direct foreign investment, a variety of tax incentives is available. They vary according to the region of the country and the nature of the investment concerned, but often include a 50 to 80 percent reduction in the industrial contribution and supplemental taxes. Customs exemptions are possible for the importation of capital equipment and raw materials. To qualify, a minimum investment of $50,000 and pre-approval from the Investment Promotion Center are required. Legislation also supports the creation of export processing zones. (See also Chapter VII, Investment Climate, #77) For more information, contact the Investment Promotion Center (see Appendix E).

71. Approval of Investments - New regulations governing the Investment Promotion Center (CPI) have made the investment approval process automatic within 10 days, if no objections are voiced by the relevant ministries: the provincial governor, for investments under $100,000; or the Minister of Planning and Finance, for investments between $100,000 and $100 million. The Council of Ministers must review investments over $100 million, and those involving large tracts of land (5000 ha for agriculture, 10,000 ha for livestock or forestry). The Council has 17 working days to voice an objection before approval becomes automatic.

72. Capital Outflow Policy - Investment laws guarantee foreign investors the right to remit loan repayments, dividends, profits and invested capital abroad. Investment registration and repatriation procedures must be followed for amounts greater than $5000. Procedures include the presentation of audited accounts, and registration through the Investment Promotion Center. A repatriation certificate is then issued from the Central Bank. Debt servicing also requires a letter from the Central Bank indicating bank approval at the time of the loan. Changes in regulations now allow for 100 percent repatriation of profits, and the full retention of earned foreign exchange in local accounts.

73. Conversion and Transfer Policies - Access to foreign exchange has been greatly liberalized. Foreign exchange retention accounts are permitted for 100 percent of foreign exchange earnings, without formal justification. These may be used to purchase required imports. Investment registration and repatriation application procedures must be followed to repay foreign loans, and for the repatriation of invested capital, profits, and dividends, in amounts greater than $5000. Application procedures include the presentation of audited accounts.

74. Expropriation and Compensation – According to Mozambican law, "when deemed absolutely necessary for weighty reasons of national interest or public health and order, the nationalization or expropriation of goods and rights comprised ...shall be entitled to just and equitable compensation." There has been no significant case of nationalization since the new constitution in 1990. The government has reacquired a handful of companies that had been privatized, because the conditions of the sales contract had not been fulfilled. These companies are to be re-sold.

75. Dispute Settlement and Alternative Dispute Resolution - The judicial system in Mozambique is not effective in resolving commercial disputes. Most disputes among Mozambican parties are settled privately or go unresolved. The business community is still small enough so that a damaged reputation from a commercial dispute or accusation of illegal activity can seriously damage a business. For foreign investors, Mozambique offers recourse to arbitration. In February 1999, the Assembly legally recognized alternative dispute resolution. For disputes between international and domestic companies, the law closely follows the UNCITRAL, the United Nations Commission of International Trade Law model. For domestic arbitration, the law is formulated to cover potentially a wide range of disputes, including non-commercial ones. In addition, Mozambique acceded in mid-1998 to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. CTA, the confederation of Mozambican business associations, is creating a center for Alternative Dispute Resolution in 2000. (See Appendix E for address.)

76. Bilateral Investment Agreements -- The country's most significant bilateral commercial relationship is with South Africa. Since 1995, Mozambique has engaged in regular discussions with South Africa to harmonize regulations and facilitate cross border trade and investment. In December 1998, Mozambique concluded a Bilateral Investment Treaty with the U.S., one of the few the U.S. has signed in this region. This treaty was a key step in furthering commercial relations between the countries. Mozambique has also signed bilateral investment agreements with the South Africa, Portugal, Zimbabwe, Mauritius, France, Italy, and China. It is currently negotiating with the UK.

77. Industrial Free Zones - The government is anxious to see industrial free zones (export processing zones) take hold in Mozambique, and legislation supports this. There is growing foreign investor interest, especially for free zones in Maputo and Beira. MOZAL, the aluminum smelter under construction in Maputo, is the first such enterprise to avail itself of this legislation. New regulations issued in September 1999 established an Industrial Free Zone Council. The council can designate Industrial Free Zone Enterprises, who are legally entitled to operate in the zones. Approvals are made considering the micro and macro economic effects of the project; at least 85% of the annual production must be exported. The exploration and extraction of natural resources, including processing of cashew nuts, fish, and prawns, is excluded from free zone designation. Free zone concessions are granted for a renewable period of 50 years. (See also Chapter

VII, Investment Climate, #70) More information is available from the CPI, the Investment Promotion Center. (see Appendix E)

78. Foreign Direct Investment - Over the last thirteen years since market opening, the Investment Promotion Center reports that $1.2 billion has been or is being invested in Mozambique. Over three-fourths of this has occurred during the past three years. This figure reflects the huge impact of the $1.2 billion MOZAL aluminum smelter project. Since 1993, over a quarter of all investment registered is in the form of foreign direct investment, almost four times the amount of direct investment derived from domestic sources. Just under $4 billion in investment has been registered during the past five years. In 1998, actual foreign direct investment totaled an estimated $213 million, up 330 percent from 1997. (See also Appendix D, Investment Statistics)

79. Major Foreign Investors -- South Africa, Portugal, Great Britain, Hong Kong, and the Netherlands are the top five investors. South Africa (63 percent) and Portugal (14 percent) together account for over three-fourths of all foreign investment. The U.S. is behind the Netherlands and Hong Kong, with a 2 percent share. These figures have been heavily affected by MOZAL. Similarly, Enron's Maputo Iron and Steel Project promises to radically alter the U.S. standing once construction begins.

80. U.S. Investor Interest - U.S. investor interest has been growing for several years. In 1996, Seaboard Corporation (Kansas) purchased a state-owned flourmill in Beira under the country's privatization program. Coca-Cola increased its substantial holdings in anchor bottler SABCO (South Africa Bottling Company) to 24 percent. SABCO has taken over Coke's Maputo bottling plant, has built a plant in the central region, and is building another in the north of the country to provide national coverage. Other significant U.S. investors include Mobil Oil, RDC/Edlow, ARCO, and Colgate-Palmolive. (For additional information, see Economic Trends and Outlook, #16, #25, #26, and #31)

81. U.S. Government Insurance and Project Finance Programs – The U.S. government signaled its strong support for the fundamentals of the Mozambican economy in 1999, as both the Export-Import Bank and OPIC, the Overseas Private Investment Corporation, opened for projects in Mozambique. (For additional information, see Chapter VII, Trade and Project Financing,#89, #90) USTDA, the U.S. Trade and Development Agency, is also available to assist with feasibility studies for projects with American participation, as well as reverse trade missions.

82. Abandoned Projects - Three companies with U.S. bases withdrew from or lost viable projects in 1999. Cabot Corporation of Boston, which entered into a joint venture with Grupo Madal (Luxembourg/Norway)to invest in a tantalite mine in Zambezia Province, decided to pursue the expansion of an Australian mine instead. BHP (San Francisco) elected not to pursue a promising heavy sands (titanium) deposit in Nampula Province, due to internal financial considerations. Finally, the much-discussed Blanchard tourist development lost its government concession in December 1999. After the death of the American founder and

financier James Blanchard, the project appears to have lost momentum; the government finally withdrew the concession.

83. Corruption - There is little doubt that corruption increased significantly during the years immediately preceding and following the peace accords. Government salaries were low, and confusing regulations from both the colonial and Marxist eras provided fertile ground for unethical behavior. Customs was a particular problem, as were the ports and the various land concession authorities. However, Mozambique does not have a long history of corruption. Many Mozambicans have been vocal on the subject, including the press. Until recently, the battle against corruption was waged through privatization of banks, parastatals, and customs operations. Currently, the battle is waged by efforts to strengthen the judicial system, streamline and simplify regulations, improve enforcement mechanisms, reduce government bureaucracy, and improve the salary and training of government workers.

84. Labor - The estimated work force numbers 8 million, of which 17 percent earn regular wages. The minimum wage of about $40 per month has been a source of discontent. Most working Mozambicans derive income from more than one activity, and grow corn and vegetables on a small plot of land for personal consumption. Three-fourths of the working population are family farmers. Nationwide literacy levels are estimated at 40 percent; in general, educational standards are considered low. Common working wages in Maputo are higher than in the rest of the country, averaging in the neighborhood of $50 a month. Literacy is also believed to be higher, around 80 percent.

85. Labor Unions - Labor unions, created during the socialist years, are still weak although they are asserting greater independence from the ruling Frelimo Party. Total membership among Mozambique's thirteen unions is less than 200,000. A great concern for unions is the minimum wage. Restructuring of state-owned enterprises, and consequent reductions in union employees or closing of facilities is another important issue for them.

86. Political Violence - The prospect of political violence has steadily declined since the end of the war. Labor unions are becoming more vocal, and it is not unusual for groups to occupy management offices for a day. However, protests are rarely associated with violence. As in many capital cities, crime is problematic in Maputo, but has not reached the epidemic proportions of neighboring South Africa. Groups of bandits specialize in home assaults, carjacking, and highway robbery, but claim no political affiliation.

Chapter VIII: Trade and Project Financing

87. Risk Reassessment - Until recently, the country has been served by a handful of banks specializing in short term, trade-related finance and fee-for-service business. The market supported few medium term loans. This has begun to change, as bankers reassess the risks of doing business in Mozambique. Loan terms have lengthened and interest rates have come down, facilitating longer-term thinking. Today, several housing developments have been initiated and there is increasing competition among the

banks to supply capital to good customers. Nevertheless, trade finance is still the most important banking business.

88. Banks Operating in Mozambique – There are currently eight banks operating in Mozambique, in addition to the central bank, the Bank of Mozambique. Banco Comercial de Moçambique (BCM) still dominates commercial banking in the country, although market shares have adjusted to accommodate new entrants. It is particularly strong in serving diverse areas of the country. In 1996, the government sold BCM to a consortium led by Banco Portugues Mello. Banco Internacional de Moçambique (BIM) continues to push the market, segmenting its services to offer corporate, express, and private banking. Last year, BIM acquired the local operations of Banco Português do Atlântico, due to a parent company merger in Portugal. BIM increased its share capital to $30 million (with IFC participation), and transplanted an investment banking arm. In January 2000 in Portugal, Banco Comercial Português, the parent company of BIM, acquired Grupo Mello, parent company of BCM. The implications of this merger for the Mozambican banking industry are still unclear. In 1997, the government also sold Banco Popular de Desenvolvimento (BPD), Mozambique’s second largest bank, to a consortium led by Southern Berhad Bank of Malaysia. BPD subsequently changed its name to Banco Austral. Banco Austral promptly lowered its lending rates, and has continued to lead the way for consumer loans in this regard. Banco Comercial e de Investimento entered the market in 1997, and expanded operations into commercial banking after Caixa Geral of Portugal assumed control. Banco Standard Totta (55% owned by Banco Totta & Açores of Portugal, 40% owned by Standard Bank of South Africa) has been rebuilding its pre-war bank network. It has expanded beyond the fee-for-service and letter of credit business for which it was known during Mozambique’s leaner years. Equator Bank, based in Hartford, Connecticut, but now owned by the Hong Kong and Shanghai Bank, maintains an office in Maputo that has focused primarily on trade finance; it is now looking more broadly at the market. Banco de Fomento do Exterior is based in Portugal, and maintains a branch in Maputo. União Comercial de Bancos, with Mauritian interests, opened a Maputo branch in late 1999. Nedbank, an important bank in South Africa, is the most recent to apply for a Mozambican banking license. In addition, several groups of financiers, mostly based in Portugal, have been contemplating opening investment banks in Mozambique.

88. American Banking Presence in the Region - Citibank has traditionally conducted most of its business with Mozambique from its regional office in Nairobi, but is now transferring these operations to its Johannesburg office. Chase Manhattan and JP Morgan also handle their Mozambican operations from their offices in South Africa. Citibank, the Bank of New York, Chase Manhattan, Corestates (now part of First Union), and the Bank of America all have correspondent relationships with local banks.

89. Export-Import Bank - The Export-Import Bank of the United States (‘Ex-Im’) offers financing through loans, loan guarantees, and insurance, to encourage the export of American goods. In 1999, the Export-Import Bank announced that Mozambique would be one of eleven countries to participate in a short term insurance pilot program for Africa. The bank also

opened for short, medium, and long-term financing for the private sector, for projects involving American exports. It is rare for the Export-Import Bank to move directly to offering long-term financing in a new country; this is a testament to the bank's confidence in the Mozambican economy. The Export-Import Bank has no pre-set financing limits. Additional information is available at www.exim.gov.

90. OPIC – OPIC, the Overseas Private Investment Corporation, is an independent U.S. government agency. For projects with American involvement, OPIC can assist with both project finance, through loans or loan guaranties, and political risk insurance, up to a total of $400 million. In September, 1999 OPIC concluded a new Investment Incentive Agreement with Mozambique, updating an earlier obsolete agreement. As part of the President's Partnership with Africa, OPIC has created two venture capital funds based in Johannesburg: the New Africa Growth and Opportunity Fund and the Modern Africa Growth and Investment Corporation. A third fund, with a focus on infrastructure, is being organized.

91. MIGA - Mozambique is also a member of the Multilateral Investment Guarantee Agency (MIGA), part of The World Bank Group. MIGA promises to play an important role with respect to risk management surrounding a number of the country's mega-projects.

92. Additional Financing Options - The International Finance Corporation (IFC) and the Commonwealth Development Corporation provide medium term loans and equity finance in Mozambique. In addition, the Southern African Enterprise Development Fund (SAEDF), a U.S.-government sponsored $100 million venture capital firm, serves medium-sized Mozambican entrepreneurs out of its Johannesburg offices.

93. Stock Exchange - With assistance from the Lisbon Stock Exchange, the Ministry of Planning and Finance established a small stock exchange in Maputo on October 14, 1999. Cervejas de Moçambique, the well-known producer of the local '2M' beer, was the first major listing.

Chapter IX: Business Travel

A. Doing Business in Mozambique

94. The Business Class in Mozambique - Mozambique's business class is quite thin. The primary activity in Mozambique is still trading and distribution, although this is changing. Distribution systems are nascent. Many Mozambicans engaged in international trade take advantage of personal ties to Portugal, South Africa, Zimbabwe, or India to accomplish their commerce. Many speak English.

95. Local Conglomerates - A number of Mozambican businesses have become small conglomerates, composed of disparate enterprises. The primary link with the parent company is available capital, management expertise, and the ability to meet market demand, including that from the parent company.

96. Business Culture and Standards - Maintaining a good reputation and consistently doing right by others is important. The business community in Maputo is small enough so that most know one another fairly well. Competitors in one area may be partners in another. Nevertheless, potential investors should be on the lookout for questionable business practices, such as tax evasion and petty corruption. Many businesses do not produce accurate financial accounts. Accounting standards have not been defined and training is poor. Concepts such as depreciation and asset management are not well understood.

97. Business cards – Cards are generally exchanged, though rarely with senior government officials. Mozambicans are usually on time for appointments, though the recent press in business has caused many to overschedule. This is especially true of a core group of technocrats in government, who are in great demand.

B. Travel - South African Airways flies between Miami and Capetown, and between New York and Johannesburg. The New York flight may stop in Cape Verde for refueling. SAA is currently in negotiations with Delta Airlines for new code share flight between Johannesburg and Atlanta. This flight may begin at the end of January, 2000. TAP and LAM (Linhas Aereas de Moçambique) each have weekly flights to and from Portugal. Air France has discontinued its weekly flight to Europe. South African Airways and LAM each fly at least once a day between Johannesburg and Maputo; the flight takes less than an hour. Most regional connections require transiting through Johannesburg. Luxury buses are now available between Johannesburg/Pretoria and Maputo. The trip takes about 8 hours.

98. Travel Advisory - Visitors are advised to take malarial prophylaxis according to prescription. This is especially important during the rainy season, from November to April. Mozambique is home to the most virulent of the four strains of malaria, and death from malaria is not uncommon. Chloroquine resistant strains of malaria also exist. Malaria can appear several months after leaving the region, so a doctor should be advised if illness occurs after departure from Mozambique. Other diseases such as meningitis and tuberculosis may be contracted in Mozambique. Local authorities should be consulted for trips outside urban areas due to the lingering threat of land mines laid during the war.

100. Visas - Visitors to Mozambique are required to obtain a visa prior to arrival. Visas are no longer issued at the airport to citizens from countries with Mozambican embassies. A stiff penalty of $518 is charged for arriving without a visa, in addition to the normal visa charge of $55. The standard business or tourist visa is valid for a 30-day stay, and open for a period of 3 months. If a traveler intends to interrupt a stay in Mozambique with a trip to a neighboring country, he should request a multiple entry visa. This is difficult to arrange after arriving in-country. Visa issuance takes between one and two weeks, but expedited 24-hour service is available. The following U.S. dollar visa fees are approximate, and may change with exchange rates:

USD 10: single entry for up to 30 days
USD 20: single entry for 30-60 days

USD 30: single entry for 60-90 days

USD 30 for a 3 month multiple entry
USD 60 for a 4 months multiple entry
USD 90 for a 12 months multiple entry

Visas may be obtained at:

Embassy of the Republic of Mozambique
1990 M Street, NW, Suite 570
Washington, DC 20036
Tel: (202) 293-7146
Fax: (202) 835-0245)

Consulate of the Republic of Mozambique
7th floor, Cape York Building
252 Jeppe Street
Johannesburg, South Africa
Tel: (027)(011)336-1821
Fax: (027)(011)336-9921

101. Holidays

January 1	-	New Year's Day
February 3	-	Heroes' Day
April 7	-	Women's Day
May 1	-	Worker's Day
June 25	-	Independence Day
September 7	-	Victory Day
September 25	-	Revolution Day
November 10	-	Maputo City Day (Maputo only)
December 25	-	Family/Christmas Day

102. Business Infrastructure - Basic services necessary for the business traveler are available in Maputo, and to a lesser degree in Beira, the country's second largest city. Outside these major urban centers, arranging for travel and accommodation can be difficult. Rental cars with drivers are available from Avis, Hertz, Imperial (South Africa), and Europcar (part of National Car Rental's international network). Budget Rental is organizing a franchise.

103. Currency Exchange and Credit Cards – Currency can be exchanged at major hotels. More competitive rates are offered by the exchange houses, *‘casas de cambio’,* which are deregulated and legal. South African rand and U.S. dollars are often accepted, particularly in larger cities, but change will be given in *meticais.* Credit cards are accepted at major hotels and car rental agencies, but are not useful elsewhere. Restaurants outside of major hotels frequently accept only cash.

103. Hotels – Breakfast is often included in the room rate. Excellent hotel accommodations are available in Maputo at:

Hotel Polana
phone: (258)(1)49-10-01/7
fax: (258)(1)49-14-80
Avenida Julius Nyerere, 1380
e-mail: mail@hpolana.uem.mz

Internet access: Rooms at the Polana are wired for Internet access; guests can also access the Internet through the hotel business center free of charge.
The Polana also has a ‘mobile office’ (a laptop computer and other equipment) available for rental.

Hotel Cardoso
phone:(258)(1) 49-10-71/5
fax: (258)(1)49-18-04
Martires de Mueda, 707
e-mail: hcardoso@zebra.uem.mz
Internet access: Guests can access the Internet through the hotel business center. The cost is $5/30 minutes.

Hotel Rovuma Carlton
phone: (258)(1)30-50-00
fax: (258)(1)35-03-05
Rua da Se, 1114
e-mail: pestana-reservas-moza@hotmail.com
Internet access: Guests can access the Internet through the hotel business center. Price information was not available.

Hotel Avenida
phone: (258)(1)49-20-00
fax: (258)(1)49-96-00
Avenida Julius Nyerere, 627
e-mail: h.avenida @teledata.mz
Internet access: Guests can access the Internet through the hotel business center, at a cost of 20 cents per minute.

Hotel Terminus:
phone: (258)(1)49-13-33
fax: (258)(1)49-12-84
Address: Rua Francisco Orland Magumbue nr. 587
e-mail: termhot@terminus.hotel.com
Note: The Terminus rooms are wired for Internet access. Guests can also access the Internet through the hotel business center free of charge.

Other Hotels include:

Kaya Kwanga
phone: (258)(1)49-27-06/7
fax: (258)(1)4927-04
Rua Don Joao Castro, off the
Avenida Marginal next to the MiniGolf

Hotel Tivoli
Phone: (258)(1) 30-76-01/8
fax: (258)(1)30-76-09
Av. 25 de Setembro, 1321

Hoyo-Hoyo
phone: (258)(1)49-15-00/3
fax: (258)(1)49-07-24
Av. Francisco Mugumbwe, 837

104. Hotels in Beira - While there are no five star lodgings available in Beira, suitable lodging can be found at:

Hotel Embaixador

phone: (258)(3)32-31-21
fax: (258)(3)32-37-88

Hotel Mocambique
phone: (258)(3)32-9351/4
fax: (258)(3)32-50-60

Hotel Tivoli:
phone: (258)(3)32-03-00
fax: (258)(3) 32-03-01

Rental cars with drivers are available from Avis and Imperial.

105. Other lodging - The following lodging is available in Mozambique’s provincial capitals:

Quelimane: Hotel Chuabo:
phone: (258)(4)21-31-81/3

Nampula: Hotel Tropical
phone: (258)(6)21-32-20/22/32

106. Communications -- Postal service is slow and unreliable. Federal Express and DHL delivery are available. Telephone and fax service are fairly reliable in major urban centers, but can be expensive if accessed through hotels. In major cities, public phones are increasingly available, but not yet common. They require the purchase of an inexpensive phone card, sold by the phone company and various shops. Elsewhere in the country, public phones must be accessed at the local office of the national telephone company, TDM. In September 1997, TDM inaugurated cellular telephone service in Maputo, in a joint venture with Deutsche Telekom. GSM standard is used. Roaming is possible along the Maputo Corridor leading to South Africa, and billing may be accomplished in South Africa.

107. Internet Availability – Several hotels in Maputo offer Internet access through their business centers, or offer connections for laptop computers in the hotel room. See #103 above for hotel Internet access. Hotels outside of Maputo do not currently offer Internet access.

Mozambique’s only cyber-café can be found at:
Connection Time
Cristina Morais, Manager
Av. 24 de Julho, 377
Maputo
Tel: (258)(1)49-91-47
Fax: (258)(1)49-87-50

Other such facilities may open soon.

Internet service is available in Maputo from several local service providers, as follows. Local providers have recently started Internet service in Beira and Nampula.

Emil
Nilessh Chandra
Tel: (258)(1)30-72-17
Cell: (258)082-30-19-64
e-mail: emil@emilmoz.com

TropicalNet
Anibal de Azevedo Marques, Manager
Tel: (258)(1) 30-43-48
e-mail: admin@mail.tropical.co.mz

Virtual Connection
Helder Santos, Manager
Tel: (258)(1)41-70-22
Cell: 082-30-01-31
e-mail: admin@virconn.com

Computing Solutions
Paulo Weng, Manager
Tel: (258)(1)42-41-84
Cell: 082 30-22-11
e-mail: csl@isl.co.mz

Teledata
José António Correia, Manager
Tel: (258)(1)30-25-80
e-mail: teledata@teledata.mz

108. Real Estate - Housing has become more difficult to arrange, and rents have climbed as large foreign investment projects around Maputo put pressure on the housing market. In response to demand, new housing and construction has begun, but is still not in full swing. Rental prices in Maputo are higher than many areas in the U.S., about $10-15 per square meter for housing and $12-15 per square meter for office space. Warehouse space costs about $4.25 per square meter.

Chapter X: Appendices

Appendix A: Country Data

Population: 16.9 Million*
Population Growth Rate: Est. 2.3
Religions: Christian (Est. 51 Percent)
Islam (Est. 18 Percent)
Indigenous African and Other (Est. 30 Percent)
Government System: Multiparty Democracy
Head of State: President Joaquim Chissano
Languages: Portuguese, Other Indigenous Languages
Work Week: 5 Days, 40 Hours

* Source: This figure is based on the results of the 1997 census, the first since 1981.

Appendix B: Domestic Economy

USAID estimates 1999 GDP at $3.7 billion, an increase of 47% since 1993, and per capita GDP at $194. The Mozambican government's National Statistics Institute calculates 1998 GNP at $3.7 billion and per capita GNP at $217. Reporting discrepancies are due to different weights placed on the formal versus the informal sector.

The World Bank estimates that the growth rate will be 9.7 percent for 1999, 7.0 percent for 2000, and 7.2 percent for 2001, for an average of 8 percent from 1999-2001.

Unemployment: Reliable Figures Unavailable
Currency: the metical, plural - meticais
Current Exchange Rate: ~13,200 meticais per U.S. dollar (December, 1999)
USAID Foreign Assistance: approximately $75 Million (1999)

Appendix C: Trade (US Dollars)

	1997	1998	1999 (estimated)	2000	2001
Exports (millions)	230	246	294	322	508
Imports (millions)		868	1396	1110	1075
US Exports (millions)	39	36.5	40	40	40
US Imports (millions)	26.5	14.8			

At almost 5 percent of merchandise imports, the U.S. was the third largest supplier of merchandise goods to Mozambique in 1998. This places the U.S. behind South Africa and Portugal, but ahead of Japan, India and France. Wheat grain accounted for about four-fifths of U.S. imports. Total 1998 merchandise imports amounted to $746 million. South African exports to Mozambique actually fell 9 percent from that of the previous year, reflecting a decline in the rand. South Africa still provided about a third of all Mozambican imports.

Agriculture, fishing, and food industry imports totaled 25 percent of total merchandise imports. Capital equipment contributed another 21 percent. Transport material (including rail, automobile vehicles, tractors, airships, and boats) contributed 13 percent. Fuel added another 9 percent.

Zimbabwe is the largest destination for Mozambican exports, with 19 percent of the total. Spain (15 percent), South Africa (17 percent), Portugal (8 percent) and India (7 percent) follow. Exports to Zimbabwe grew five fold over those in 1997, reflecting the collapse of Zimbabwe's agricultural economy. Exports to Spain (primarily fish) fell 14 percent due to a lower shrimp harvest in 1998, a consequence of over-fishing in 1997. Though falling 9 percent from the previous year, agriculture, fishery, and food products still accounted for almost three-fifths of Mozambique's merchandise exports.

The U.S. was the sixth largest market for Mozambican goods, consuming 6 percent of total Mozambican exports in 1998. Mozambican exports fell 44 percent in 1998 due to a lower American sugar quota than in 1997. Sugar and cashews account for 92 percent of all U.S. imports from Mozambique. U.S. imports of graphite, an important contributor in the past, fell 90 percent.

Sources: Government of Mozambique National Statistics Institute, Bank of Mozambique, Ministry of Industry, Commerce, and Tourism, Ministry of Planning and Finance, The World Bank, IMF, and U.S. Trade Statistics. Estimates are approximations of trends.

Appendix D: Investment Statistics

Total accumulated foreign direct investment since the promulgation of the 1984 investment law, through 1998 was $1.2 billion. The breakdown by country of origin is as follows:

Value	Percent of total (millions)	Active FDI
South Africa	762	63
Portugal	170	14
Great Britain	47	4
Hong Kong	26	2
The Netherlands	24	2
United States	22	2

Total new investment in 1998 was $248 million. The sector breakdown in percentage terms for 1998 was as follows:

Sector	Percent	Number of Projects
Industry	44	68
Agribusiness (and Fishing)	15	34
Tourism	4	18
Construction	1	14
Transport/Communications	7	15
Minerals	.03	1
Finance	24	6
Other	3	37

Source: Investment Promotion Center (Government of Mozambique).

APPENDIX E: U.S. AND COUNTRY CONTACTS:

Washington Based

Embassy of Mozambique
Ambassador Marcos Geraldo Namachulua
1990 M Street, NW, Suite 570
Washington DC 20036
Tel: (202) 293-7146
Fax: (202) 835-0245

U.S. Department of Commerce
Eric Henderson, Southern Africa Desk Officer
14th and Constitution, NW, Room 2037
Washington, DC 20007
Tel: (202) 482-4228
Fax: (202) 482-5198
For trade information, in the U.S., call the Trade Information Center at 1-800-USA-TRADE.

U.S. Department of Commerce
Janet Thomas, Acting Director
Multilateral Development Bank Offices
14th and Constitution, NW
Washington, DC 20007
Tel: (202) 482-3399
Trade Information Center
(Trade Promotion Coordinating Committee)
Tel: 1-800-USA-TRADE

U.S. Department of State
Cassie Ghee, Desk Officer
2201 C Street, NW, Room 4238
Washington, DC 20520
Tel: (202) 647-9857
Fax: (202) 647-5007

U.S. Department of Agriculture
Foreign Agricultural Service
Trade Assistance and Promotion Office
Tel: (202) 720-7420

The World Bank
Thomas Kelsey, Director
Janice Mazur, Commercial Liaison
Commerce Liaison Office
Office of the U.S. Executive Director
1818 H Street, NW
Washington, DC 20433
Tel: (202) 458-0120/0118
Fax: (202) 477-2967
Email: tkelsey1@doc.gov
Email: jmazur@doc.gov
Website: www.worldbank.org

Mozambique Based

U.S. Embassy/Maputo
Eric Whitaker, Political/Economic Section Head
Shannon Ross, Political/Economic Officer
Elizabeth Filipe, Commercial Assistant

Street Address: Avenida Kenneth Kaunda, 193, Maputo
Mozambique mailing address: Caixa Postal 783, Maputo
U.S. Mailing Address:
Department of State
American Embassy Maputo
Washington, DC 20521-2330
Tel: (258) (1) 49-27-97
Fax: (258) (1) 49-01-14
E-mail: uscomm@mail.tropical.co.mz

Customs

Intertek Testing Services (Pre-shipment Inspection)
Avelar Da Silva, Director
Avenida Acordos De Lusaka, 118
Tel: (258) (1) 41-86-10/12/13/14
Fax: (258) (1) 41-86-11

Mozambican Customs Authority
Alfandegas De Moçambique
Victor Sousa, Deputy National Director
Rua Timor Leste, 95
Tel: (258) (1) 42-65-32
Fax: (258) (1) 42-02-86

Trade and Business Associations

Maputo

Mozambique - U.S. Chamber of Commerce
Antonio Almeida Matos, President
Rua Mateus S. Muthemba, 542
Caixa Postal 1836, Maputo
Tel: (258) (1) 49-29-04
Fax: (258) (1) 42-18-99
Note: The Mozambique-U.S. Chamber of Commerce in Maputo can also provide a useful orientation to first-time visitors.

CTA (confederation of Mozambican business associations)
Egas Mussanhane, President
Avenida Mao Tse Tung, 858 (Corner with Avenida Salvador Allende)
Tel: (258) (1) 49-47-12

Mozambique Chamber of Commerce
Carlos Klint, President
Rua Sansão Muthemba, 452
Caixa Postal 1836, Maputo
Tel: (258) (1) 49-22-10, 49-1970/0428/2687
Fax: (258) (1) 49-22-11
Telex: 6-498

Mozambique- South Africa Chamber of Commerce
Paul de Sousa, President
Avenida 10 de Novembro - Portao 2 (Recinto da FACIM)
Maputo
Tel: (258)(1) 43-16-21
Fax: (258)(1) 43-16-21

Beira

Mozambique-U.S. Chamber of Commerce (Beira Chapter)
Gilberto Jose Faria, President
Estrada Nacional 6
C.P. 1171 Beira
Tel: (258)(3) 30-10-44
Fax: (258)(3) 30-10-58

Associacao Comercial da Beira
Jorge Soeiro, President
Rua Luis Inacio, 276 - 1st Floor
Beira
Tel: (258)(03) 32-93-84
Fax: (258)(03) 32-76-50

Commercial Banks

Banco Austral
Leong Yit Ket, General Manager
Avenida 25 de Setembro, 1184
Caixa Postal 757, Maputo
Tel: (258) (1) 42-81-25/7
Fax: (258) (1) 30-67-02

Banco Comercial e de Investimentos
Magid Osman, President
Avenida 25 de Setembro, 1230 (4th Floor)

Caixa Postal 75, Maputo
Tel: (258) (1) 42-38-63/88
Fax: (258) (1) 42-38-89

Banco Comercial de Moçambique
Alberto Da Costa Calú, Executive Director
Avenida 25 de Setembro, 1965
Caixa Postal 865, Maputo
Tel: (258) (1) 42-81-51, 42-84-08
Fax: (258) (1) 42-32-47, 42-13-61, 42-38-39

Banco de Fomento e Exterior
Carlos Mendes Alves, Managing Director
Avenida 25 De Setembro, 1230
Caixa Postal 4233, Maputo
Tel: (258) (1) 42-37-53/4
Fax: (258) (1) 42-19-92

Banco Internaçional De Moçambique
Mário Machungo, President
Avenida Samora Machel, 247
Caixa Postal 2657, Maputo
Tel: (258) (1) 42-93-90/2
Fax: (258) (1) 42-93-89

Banco Standard Totta De Moçambique
Luis Ferreira Marques, Managing Director
Praça 25 De Junho
Caixa Postal 1119, Maputo
Tel: (258) (1) 30-19-59
Fax: (258) (1) 42-69-67

Equator Bank
Douglas Peterson, Assistant Vice President
Prédio 33 Andares, Suite 522
Rua Da Imprensa, 256
Tel: (258) (1) 43-19-19
Fax: (258) (1) 43-19-18

União Comercial de Bancos
Denis Motet, General Manager
Avenida Friedrich Engels, 400
Maputo

Other Banks and Financial Institutions

African Development Bank
Mark Herrling, Commercial Liaison
U.S. and Commercial Foreign Service
Ambassade Des Etats Unis d'Amerique
5 Rue Jesse Owens
01 B.P. 1712 Abidjan 01, Cote d'Ivoire
Tel: (225) 21-46-16
Fax: (225) 22-24-37
E-mail: mherrlin@doc.gov

Commonwealth Development Corporation (CDC)
Pedro Pinto, Country Manager
Rua da Imprensa, 256
Prédio 33 Andares (6th Floor)
Caixa Postal 1657, Maputo

Tel: (258) (1) 42-13-25
Fax: (258) (1) 42-21-50
E-mail:mozambique@cdc.co.uk

CGSM (corporate insurance)
Henry Mittermayer, Managing Director
Companhia Geral de Seguros de Moçambique
Avenida Mao Tse Tung, 310 (1st Floor)
Tel: 49-20-89, 49-20-95
Fax: 49-20-86

EMOSE (insurance, government corporation)
Empresa Seguradora de Moçambique
Venâncio Mondlane, Director
Avenida 25 de Setembro, 1383
Caixa Postal 696, Maputo
Tel: (258) (1) 42-87-40
Fax: (258) (1) 42-45-26, 42-68-69

European Bank for Reconstruction and Development
Dean Peterson, Senior Commercial Officer
Office of the U.S. Executive Director
One Exchange Square
London EC2A 2EH
United Kingdom
Tel: (44) (171) 338-6569
Fax: (44) (171) 338-6487
Email: dpeters3@doc.gov

IMPAR (insurance)
Manuel Balacho, Managing Director
Companhia de Seguros de Moçambique
Prédio 33 Andares (3rd Floor)
Rua Da Imprensa, 256
Caixa Postal 616, Maputo
Tel: (258) (1) 42-96-96
Fax: (258) (1) 43-06-40

International Finance Corporation (IFC)
Oliveira Juvane, Investment Officer
Avenida Kenneth Kaunda, 1224
Tel: (258) (1) 49-28-41/51/71
Fax: (258) (1) 49-28-93

Note: for more information on the IFC's Reach Initiative (i.e. small and medium scale equity and quasi-equity financing), call IFC's Corporate Relations Department, Washington, DC at Tel: (202) 473-9331, or Mr. Takuro Kimura, Investment Officer, sub-Saharan Africa at Tel: (202) 473-6988, Fax: (202) 676-9704.

The World Bank
Sherri Archondo, Senior Financial Economist
Avenida Kenneth Kaunda, 1224
Maputo
Tel: (258) (1) 49-28-41/51/71
Fax: (258) (1) 49-28-93

Note: For more information about commercial opportunities contact:

The World Bank
Thomas Kelsey, Director
Janice Mazur, Commercial Liaison
Commerce Liaison Office
Office of the U.S. Executive Director
1818 H Street, NW
Washington, DC 20433
Tel: (202) 458-0120/0118
Fax: (202) 477-2967
Email: tkelsey1@doc.gov
Email: jmazur@doc.gov
Website: http:\\www.worldbank.org

Mozambican Government Offices (Maputo)

Banco de Moçambique (Central Bank)
Adriano Maleiane, Governor
Avenida 25 de Setembro, 1679
Caixa Postal 423, Maputo
Tel: (258) (1) 42-81-50/9, 42-67-07,
42-33-84, 42-07-28
Fax: (258) (1) 42-19-12/15, 42-67-32

Investment Promotion Center (CPI)
New director to be appointed
Rua da Imprensa, 332 (Ground Floor)
Caixa Postal 4635, Maputo
Tel: (258) (1) 42-25-30, 42-25-25
Fax: (258) (1) 42-26-04
Internet: http://www.mozbusiness.gov.mz, or www.cpi.co.mz
CPI is under the Ministry of Planning and Finance.

Ministry of Industry and Commerce
Minister Carlos Morgado
Praça 25 De Junho, 37
Caixa Postal 1831, Maputo
Tel: (258) (1) 42-72-04, 42-60-91/9
Fax: (258) (1) 42-13-05

Ministry of Planning and Finance
Minister Luísa Diogo
Praça da Marinha Popular
Caixa Postal 272, Maputo
Tel: (258) (1) 42-06-48, 42-13-03/4
Fax: (258) (1) 42-01-37, 42-81-70

Ministry of Mineral Resources and Energy
Minister Castigo Langa
Avenida Fernando De Magalhães, 34
Tel: (258) (1) 42-96-15, 42-95-41
Fax: (258) (1) 42-95-41

Ministry of Tourism
Minister Fernando Sumbana Junior
Edificio da Reitoria
Praca 25 de Junho, 97 - 8th Floor
Tel: (258)(1) 42-16-62

Ministry of Agriculture and Rural Development

Minister Hélder Mutheia
Praça Dos Hérois Moçambicanos
Caixa Postal 1406, Maputo
Tel: (258)(1) 46-01-05
Fax: (258)(1) 46-00-29

Ministry of Fisheries
New ministry – minister and contact information to be determined

Ministry of Culture
Minister Miguel Makaíma
Avenida Patrice Lumumba, 1217
Tel: (258) (1) 43-10-65
Fax: (258) (1) 42-97-00

Ministry of Public Works and Housing
Minister Roberto White
Avenida Karl Marx, 606
Tel: (258) (1) 42-98-71
Fax: (258) (1) 42-13-69

Ministry of Health
Minister Francisco Songane
Avenida Eduardo Mondlane
Caixa Postal 264
Tel: (258)(1) 43-08-14, 42-71-31/4
Fax: (258)(1) 42-71-33

Institute for the Promotion of Exports (IPEX)
Avenida 25 de Setembro, 998
Caixa Postal 4487, Maputo
Tel: (258)(1) 42-43-52/66
Fax: (258)(1) 42-43-68
Telex: 6-330 IPEX MO

UTRE (Technical Unit for Large Privatizations)
Unidade Técnica Para a Reestructuração de Empresas
Momade Juma, Director
Prédio 33 Andares, Suite 704
Rua da Imprensa, 256
Caixa Postal 4350
Maputo
Tel: (258) (1) 42-65-14/6
Fax: (258) (1) 42-15-41
E-mail: utre@teledata.cprm.net, juma@utre.uem.mz,
Internet: http://www.businessmonitor.co.uk
http://www.ipanet.net
UTRE is under the Ministry of Planning and Finance.

GREICT (Office for Small Business Privatizations)
Gabinete de Reestructuração de Empresas Industrias, do Comércio, e do Turismo
Mariamo Carimo, Director
Avenida 25 De Setembro, 1179 (3rd Floor)
Maputo
Tel: (258)(1) 42-85-80
Fax: (258)(1) 42-43-43
GREICT is under the Ministry of Industry and Commerce.

GREAP (For Agriculture and Fishing Privatizations)
Gabinete de Reestructuração de Empresas

Agrárias e Pesqueiras
Avenida 25 de Setembro, 1509 (6th Floor)
Maputo
Tel/Fax: (258)(1) 42-60-12
GREAP is under the Ministry of Agriculture and Fisheries.

Maputo Development Corridor Information Office
Tel: (258)(1) 42-63-59
Fax: (258)(1) 43-01-59
The MDC Office is under the Ministry of Transportation and Communications.

Consulting Firms

KPMG Peat Marwick
Paul B. De Sousa, Managing Partner
Prédio Progresso
Avenida 24 de Julho, 2096
Caixa Postal 2451, Maputo
Tel: (258) (1) 42-18-92/4
Fax: (258) (1) 42-18-99

Ernst & Young
Ibrahimo A. Ibrahimo
Managing Partner
Prédio 33 Andares
Rua da Imprensa 265
Caixa Postal 366, Maputo
Tel: (258) (1) 42-40-43/4, 42-55-72
Fax: (258) (1) 42-19-84

Price Waterhouse/Coopers
José Carlos Pinheiro, Managing Director
Prédio 33 Andares
Avenida 25 de Setembro, 1230
Caixa Postal 796, Maputo
Tel: (258) (1) 42-03-08
Fax: (258) (1) 42-02-99

Proinvest
Inocêncio Matavel, President
Avenida Zedequias Manganhela, 520
Maputo
Tel: (258) (1) 42-02-51, 42-69-52
Fax: (258) (1) 42-13-77

Austral Consultoria E Projectos, Lda
Almeida Matos, General Manager
Avenida Zedequias Manganhela, 91
Maputo
Tel: (258) (1) 42-27-80, 33-44-5/6
Fax: (258) (1) 42-34-14

Media

Radiotelevisão Klint (RTK) (Independent Television)
Carlos Klint, General Director
Avenida Julius Nyerere, 360
Tel: (258) (1) 42-04-93
Fax: (258) (1) 49-33-06

Televisão De Moçambique (TVM) (Public Television)
António Botelho Moniz, Board President
Avenida Julius Nyerere, 942
Tel: (258) (1) 49-34-52/55
Fax: (258) (1) 49-09-61

Radio Moçambique (Public Radio)
Manuel Veterano, Board President
Avenida Patrice Lumumba, 2
Tel: (258) (1) 43-16-79/87
Fax: (258) (1) 42-18-16

Noticias (Government-owned Daily Newspaper)
Bernardo Mavanga, Director
Prédio Noticias
Rua Joaquim Lapa, 55
Caixa Postal 327
Maputo, Mozambique
Tel: (258) (1) 42-01-19, 42-01-20
Fax: (258) (1) 42-05-75

Domingo (Independent Weekly Newspaper)
Jorge Matine, Director
Prédio Noticias
Rua Joaquim Lapa, 55-2
Caixa Postal 327, Maputo
Tel: (258) (1) 43-10-27
Fax: (258) (1) 43-10-27

Savana (Independent Weekly Newspaper)
Kok Nam, Director
Avenida Amilcar Cabral, 1049
Caixa Postal 73, Maputo
Tel: (258) (1) 43-01-06/8
Fax: (258) (1) 43-07-21

Demos (Independent Weekly Newspaper)
Maria Palmira P. Joao, Director
Avenida Ho Chi Min, 1436
Caixa Postal 2011, Maputo
Tel: (258) (1) 43-08-70
Fax: (258) (1) 43-08-69

Mediafax (Independent Daily Newsletter)
Lourenço Jossias, Editor
Avenida Amilcar Cabral, 1049
Caixa Postal 73, Maputo
Tel: (258) (1) 43-07-22, 43-01-08
Fax: (258) (1) 43-07-21
Email: Mediafax@medcoop.uem.mz
(Note: limited advertising)

Metical (Independent Daily Newsletter)
Carlos Cardoso, Owner/Editor
Avenida Mártires de Machava, 1002
Caixa Postal 4371, Maputo
Tel: (258) (1) 49-73-85/8, 49-73-91/2
Fax: (258) (1) 49-73-87
E-mail: metical@zebra.uem.mz
(Note: limited advertising)

Imparcial (Opposition Daily Newsletter)
Migueis Lopes Junior, Director
Avenida Emilia Daússe, 389 R/C
Caixa Postal 251, Maputo
Tel.: (258)(1)30-87-97, 30-87-96
Fax: (258)(1)30-87-95

Correio da Manha (Independent Daily Newsletter)
Refi Naldo Chilengue, Editor
Avenida Filipe Samuel Magaia, 528-3 Flat 6
Maputo
Tel: (258) (1) 30-53-22/3, 30-53-25
Fax: (258) (1) 30-53-21
(Note: limited advertising)

Mozambique Inview (Twice Monthly, English)
J. Joyce, Assistant Editor
Avenida Amilcar Cabral, 1049
Caixa Postal 73, Maputo
Tel: (258) (1) 43-01-06/08, 42-91-81
Fax: (258) (1) 43-07-21
Email: Mediafax@medcoop.uem.mz
(Note: an economic newsletter, limited advertising.)

APPENDIX F: MARKET RESEARCH

Country Commercial Guides are available for U.S. exporters on the National Trade Data Bank's CD-ROM, or via the Internet. In the U.S, please call 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at www.STAT-USA.GOV, www.state.gov, or www.mac.doc.gov. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS.

APPENDIX G: TRADE FAIRS

The annual International Maputo Trade Fair (FACIM), usually held in late August or early September, provides a good opportunity to gain an overview of the local economy and to contact companies active in Mozambique. There has been talk of privatizing FACIM. The 1999 Trade Fair was held on August 30 - September 5; the 2000 Trade Fair is scheduled for September 4-10.

Feira Internacional de Maputo (FACIM)
Americo Magaia, General Manager
Caixa Postal 1761, Maputo
Tel: (258) (1) 42-71-51/2, 42-37-13
Fax: (258) (1) 42-71-29

Trade shows are scheduled for the following dates for the year 2000. Before making travel arrangements, firms should confirm the original dates. Consult the export promotion calendar on the NTDB, or contact the American Embassy’s Commercial Section for the latest information.

March 23-26 2000: Information Technology, Communications, Telecommunications, Office Equipment and Material

April 13-16 2000: Industrial Products and Services

May 18-21 2000: Tourism

June 14-18 2000: Furniture, Domestic Articles and Appliances, and Construction Material

September 4-10 2000: FACIM International Fair

November 23-26 2000: Textiles and Garments

For additional information, or to inquire about American Embassy Maputo's Economic and Commercial Office Services, please contact us at:

U.S. Embassy/Maputo
Street Address: Avenida Kenneth Kaunda, 193, Maputo
Mozambique mailing address: Caixa Postal 783, Maputo
U.S. Mailing Address:
Department of State
American Embassy Maputo
Washington, DC 20521-2330
Tel: (258) (1) 49-27-97
Fax: (258) (1) 49-01-14
E-mail: uscomm@mail.tropical.co.mz

Eric Whitaker, Political/Economic Section Head
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Elizabeth Filipe, Commercial Assistant

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